

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 026647
ORIGIN COME-00

INFO OCT-01 CIAE-00 DODE-00 EB-08 NSAE-00 USIA-06 TRSE-00
EUR-12 ERDA-05 ISO-00 /032 R

DRAFTED BY OEA/CD:RMC GEEHAN:LWH
APPROVED BY EB/ITP/EWT:AREICHENBACH
COMMERCE/OEA - CBCLEMENTS

-----051000Z 069515 /22

R 050232Z PEB 77
FM SECSTATE WASHDC
TO AMCONSUL BARCELONA
INFO AMEMBASSY MADRID

LIMITED OFFICIAL USE STATE 026647

EXCON

E.O. 11652:N/A

TAGS:ESTC, SP, PINR

SUBJECT:PRE-LICENSE CHECK: MAGNETOFLUX, S.A., PALLARS,
195, BARCELONA 5, SPAIN

REF: OEA/CD FILE 3-198

1. IN ORDER TO PREVENT SOUGHT AFTER STRATEGIC-RATED
HIGH TECHNOLOGY PRODUCTION AND TESTING EQUIPMENT FOR
SEMICONDUCTOR DEVICES BEING DIVERTED TO USSR AND OTHER EAST
EUROPEAN COUNTRIES REQUEST POST CONDUCT PRE-LICENSING
CHECK ON FOLLOWING TRANSACTION.

2. MONCLOA IMPORT AND EXPORT, LTD., 56 WEST 45TH ST.,
NYC, APPLIED FOR EXPORT LICENSE (BEWT NO. A241700) TO SHIP
TWO PHOTOREPEATERS MANN TYPE 3095, PARTS AND ACCESSORIES
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 026647

(MANUFACTURED BY GCA CORP., BURLINGTON, MASS.), TOTAL
VALUE: 275,431 DOLLARS, TO SUBJECT FIRM. SUIN, S.A., CLOT,
194, BARCELONA, SHOWN ON APPLICATION AS BOTH PURCHASER AND
INTERMEDIATE CONSIGNEE.

3. STATED END-USE: MFG. OF INTEGRATED CIRCUITS.

APPLICATION SUPPORTED BY CONSIGNEE/PURCHASER STATEMENT
INDICATING SUBJECT FIRM IS MANUFACTURER. BUSINESS

RELATIONSHIP WITH APPLICANT OF TWO AND ONE HALF YEARS
DURATION. JAIME SERRANO MORA, (QUOTE) CONSEJERO
(UNQUOTE), SIGNED FOR SUBJECT FIRM. JOSE SANLEANDRO,
TECHNICAL DIRECTOR, SIGNED FOR SUIN, S.A. JOSE L.
PINGARRON, PRESIDENT OF MONCLOA, SIGNED FOR APPLICANT.

4. OEA/CD INDICES CONTAIN NO INFORMATION ON SUBJECT.

5. INTERNATIONAL D AND B AND WTDR REFERENCES CONSULTED;
NO RECORD ON SUBJECT FIRM.

6. BARCELONA'S T-526 (U), 6/4/73, TO USDOC MOST RECENT
WTDR ON SUIN. 1976 INTERNATIONAL D AND B INDICATED FIRM
WHOLESALE INDUSTRIAL EQUIPMENT. REPUTATION GOOD.

7. U.S. MANUFACTURER ALERTED OEA/CD IN MID-DECEMBER TO
MONCLOA'S ORDER. (PHOTOREPEATERS AND OTHER GCA/MANN
EQUIPMENT THE FOCUS OF PAST/PRESENT SOVIET AND PRC ILLEGAL
CLANDESTINE PROCUREMENT ATTEMPTS THROUGH FREE WORLD
INTERMEDIARIES.) SUSPICION AROUSED BY CREDIT CHECK
INDICATING MONCLOA (EST. 1974) TWO PERSON FIRM
(PINGARRON AND WIFE, SUSANA) WHOSE ANNUAL SALES TOTAL
150,000 DOLLARS. UNCHARACTERISTIC FOR SMALL YOUNG FIRM TO
HANDLE HIGH-VALUE TRANSACTION INVOLVING SOPHISTICATED
EQUIPMENT.

8. PINGARRON AND MORA VISITED OEA. SUBJECT FIRM
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 026647

REPRESENTED AS MANUFACTURER OF MAGNETIC HEADS FOR TAPE
RECORDERS WHO WANTS TO EXPAND TO MANUFACTURE SEMICONDUCTOR
DEVICES. FYI. THERE IS NO DIRECT CONNECTION BETWEEN THE
MANUFACTURE OF THESE GOODS. PRODUCTION OF THE FORMER DOES
NOT LOGICALLY LEAD TO THE PRODUCTION OF THE LATTER.
END FYI.

9. THE PROFILE OF CONDITIONS THAT ORDINARILY ATTEND
TRANSACTION FOR SUCH EQUIPMENT: A) ULTIMATE END-USER
WOULD BE ESTABLISHED FIRM EMPLOYING HIGHLY SKILLED
TECHNICIANS, B) NUMBER OF EMPLOYEES IN RANGE 50 TO 100,
C) ROOMS WHERE EQUIPMENT TO BE INSTALLED WOULD MEET
LABORATORY STANDARDS, E.G., CONTROLLED TEMPERATURE,
DUST/DIRT FREE, D) OVERALL MANUFACTURING FACILITY WOULD
CONSIST OF SEGREGATED OPERATIONS, I.E., SERIES OF ROOMS
FOR VARIOUS PRODUCTION STAGES SUCH AS SLICING, POLISHING,
CHEMICAL PHASE, PHOTO AREA ETC.

10. LEITMOTIF RECENT INVESTIGATIONS REVEAL ATTEMPTS TO

SIMULATE ABOVEMENTIONED PRE-INSTALLATION CONDITIONS, I.E.,

EDO USUALLY TOLD ABOUT OR TAKEN TO BUILDING SITE WHERE EQUIPMENT TO BE INSTALLED WHEN CONSTRUCTION COMPLETED OR BUILDING SPACE RENOVATED. EDO CAN GUARD AGAINST SUCH RUSE BY BEARING IN MIND THAT IT IS NOT FINANCIALLY FEASIBLE TO PURCHASE SUCH EXPENSIVE EQUIPMENT UNLESS IT IS INSTALLED AND IN USE BY COMPETENT PERSONNEL WITHIN RELATIVELY SHORT PERIOD OF FEW WEEKS.

ACTION REQUESTED:

11. VISIT SUBJECT FIRM. DETERMINE BONA FIDES OF

TRANSACTION BY EXAMINATION OF DOCUMENTATION AND LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 STATE 026647

CORRESPONDENCE (LETTER OF CREDIT, QUOTATION REQUEST, PURCHASE ORDER ETC.) RELATED TO TRANSACTION. BEFORE PINGARRON IDENTIFIED SPANISH PARTIES TO TRANSACTION, HE TOLD U.S. MANUFACTURER, GCA, THAT EQUIPMENT WAS BEING PURCHASED BY A CONSORTIUM OF THREE FIRMS FOR INSTALLATION IN TARRAGONA. REQUEST POST VISIT SITE WHERE EQUIPMENT WILL BE USED. ASK PROPOSED PRODUCTION SCHEDULE AND WHERE SEMICONDUCTOR DEVICES WILL BE USED. POST FURTHER REQUESTED TO VISIT SUIN. VERIFY THAT SUIN PURCHASING EQUIPMENT AND WILL RETAIN TITLE. OBTAIN IDENTITY OF ANY OTHER PURCHASERS INVOLVED THIS TRANSACTION. CLARIFY WHY SUIN ADDED MIDDLEMAN IN U.S. WHY MONCLOA?

12. BOTH SUBJECT FIRM AND SUIN SHOULD BE ENCOURAGED TO DISCUSS ANY ADDITIONAL TRANSACTIONS THAT ARE PLANNED THAT INVOLVE U.S. ORIGIN SEMICONDUCTOR MANUFACTURING AND TESTING EQUIPMENT. BOTH FIRMS SHOULD BE REQUESTED TO COMPLETE WTDR INFORMATION.

13. PLEASE CABLE RESULTS PRE-LICENSE CHECK SOONEST.
VANCE

LIMITED OFFICIAL USE

NNN

*** Current Handling Restrictions *** n/a

*** Current Classification *** LIMITED OFFICIAL USE

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: END USE CHECKS, EXPORT LICENSES, SEMICONDUCTOR DEVICES, STRATEGIC TRADE CONTROLS, TRANSACTION CHECKS
Control Number: n/a
Copy: SINGLE
Sent Date: 05-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE026647
Document Source: CORE
Document Unique ID: 00
Drafter: RMCGEHAN:LWH
Enclosure: n/a
Executive Order: n/a
Errors: n/a
Expiration:
Film Number: D770042-0415
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770292/aaaafzaw.tel
Line Count: 165
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON MICROFILM, TEXT ON-LINE
Message ID: 70579cce-c288-dd11-92da-001cc4696bcc
Office: ORIGIN COME
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 10-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3460088
Secure: OPEN
Status: <DBA CORRECTED> jms 970911
Subject: PRE-LICENSE CHECK: MAGNETOFLUX, S.A., PALLARS, 195, BARCELONA 5, SPAIN
TAGS: ESTC, PINR, SP
To: BARCELONA
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/70579cce-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009